



# VILLAGE OF KEY BISCAYNE

Office of the Village Manager

## MEMORANDUM

### *Village Council*

Robert L. Vernon, *Mayor*  
Jorge E. Mendia, *Vice Mayor*  
Michael Davey  
Enrique Garcia  
Steve Liedman  
Thomas Thornton  
Patricia Weinman

### *Village Manager*

Genaro "Chip" Iglesias

DATE: September 3, 2009  
TO: Honorable Mayor and Members of the Village Council  
FROM: Genaro "Chip" Iglesias, Village Manager  
RE: Proposed Budget for 2009-2010

These are very difficult times for many in our community. These challenges have spared no one. Residents, as well as employees, are facing issues that hopefully occur only once in a lifetime. The Village of Key Biscayne has also experienced reduction in revenues and increases in expenses. This year we have a reduction in revenue of almost two million dollars. It is anticipated that property values will once again be lowered next year forcing another reduction. This multi-year challenge will require the cooperation of all to minimize service impacts and hold tax rate increases. The Village Council has maintained the millage rate at the same level for this proposed budget. Only 18% of your total property taxes for this past year are allocated to the Village of Key Biscayne for municipal services. The remainder goes to Miami-Dade County, Miami-Dade School Board and other entities.

As we fund your municipal services it requires that reserves are adequate, capital needs are met and we fund the operational budgets at appropriate levels to maintain a high level of service. Including, an aggressive compensation and benefits plan that competes in this marketplace for a well-trained and motivated workforce.

The Village has utilized its resources over the years to properly fund reserves and build an infrastructure that is enjoyed by our residents and guests and is admired by many outside the island. This has been accomplished while at the same time lowering the millage rate. Unfortunately, the downward trend of revenues and increased expenses has decreased the ability to fund unlimited capital projects.

In preparing this recommended budget for consideration by the Village Council, many difficult decisions had to be made and opportunities for leaner operations emerged. The goal to minimize service impacts or quality of life initiatives was paramount. Making the difficult decisions now will provide the resources and efficiency needed to deal with the reduction in additional revenues. Staff worked very hard towards being creative in doing more with less and asking our business partners to do the same to identify savings. At the same time, certain raises for employees are frozen as part of this recommended budget. As a service organization, we rely on the hard work of our employees to make

Key Biscayne a special place. Meeting our financial needs has also placed a burden on them financially by forgoing raises and asking them to do more with less. This is placing our customers first. The cooperation of our labor unions is critical and I look forward to many cooperative discussions.

The proposed budget has a reduction in expenses of \$ 857,745. The reduction in expenses has been spread over many areas of our budget. It is an aggressive reduction of our expenses. My goal has been to not place the burden of these reductions on one group of stakeholders.

This year, we have been working toward expense reduction initiatives to identify additional surplus. Surplus funds are utilized to fund reserves, capital projects, pay debt, and "pay as you go" for capital projects to avoid additional debt service. The projected excess revenue over expenditures for the recommended budget should be strategically invested to mitigate the effects of these economic challenges.

We are dealing with very challenging times which require a united front and a focused approach. The long-term consideration of our fiscal health will be an ongoing exercise. The difficult decisions made now and over the next few years will allow us to emerge even stronger and avoid the unfortunate situation of many communities.

I look forward to full participation as we deliberate our budget towards final adoption. The input of our customers is of great value. I want to thank all our employees for their hard work and being more efficient. I also appreciate the work of our Village Clerk, Department Heads and their staff and the Finance Department for the countless hours in formulating this budget. Additionally, the input and leadership of our Council is invaluable and I thank them for their tireless dedication to serve this community in the best interest of all.